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SUGAR REPORTS

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COMMODITY STABILIZATION SERVICE
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MARKET REVIEW

In early December concern over the effects of Cuban rebel activity resulted in refiners buying a considerable volume of raw sugar from other producing areas for delivery during the early months of 1959. Much of this sugar was priced at 6.45 to 6.48 cents per pound as compared to the average November spot price of 6.35 cents for 1958 quota sugar.

On December 12 some of the primary distributors selling in the Chicago-West territory announced a .20 cent refined sugar price increase. Effective at the close of business December 19 the basis price in this territory for refined cane sugar is to be 9.05 cents per pound and for beet sugar 8.85 cents.

Deliveries for United States consumption through December 7, 1958, totaled 8,322,000 tons or 224,000 tons above those at the same date last year. Cane sugar deliveries were 62,000 tons higher than last year. Beet sugar deliveries through December 7 exceeded those of last year by 162,000 tons and the present quota permits a further increase of 64,000 tons. Beet sugar deliveries totaled 274,000 tons during last December of which 84,000 tons were constructive deliveries and 190,000 tons physical deliveries. The demand resulting from a firm refined price move effective December 19 in the Chicago-West territory may influence the volume of actual deliveries, particularly of beet sugar, during the balance of the year.

Refiners total stocks at the end of November 1958 were reported as 120,000 tons below those of a year ago. However, raw stocks held by Atlantic and Gulf refiners were at about the same level as last year and their refined stocks were about 12 percent less than those of November 30, 1957. Year-end stocks of quota sugar held by North Atlantic refiners are expected to be about the same as last year's but stocks of over-quota sugar are expected to be 40,000 to 50,000 tons in excess of those held last year-end. Year-end quota stocks of Atlantic and Gulf refiners south of Hatteras should be about 130,000 tons above those of last year because of the heavy year-end marketings of Mainland Cane sugar. Total stocks of these refiners may be about 100,000 tons above last year's. Very little over-quota Mainland Cane sugar is expected to be held by these refiners at year-end 1958 but they are expected to have approximately 50,000 tons of over-quota offshore sugar.

Deliveries of sugar regionally and by types of buyers during the first three quarters of 1958 (table 20, page 33) show many interesting variations within the increase in total deliveries by primary distributors of both beet and cane sugar of which a few are noted here. In the Western region there were decreases both in consumer-size packages and for industrial and institutional use. Deliveries in consumer-size packages accounted for most of the national increase in deliveries with the largest such increase to the South. Beet sugar deliveries for industrial and institutional use increase while cane sugar decreased. Bulk and liquid sugar deliveries were up in all areas except for a drop in liquid sugar deliveries in the Middle Atlantic states. During this period about 15 percent of all sugar deliveries for industrial and institutional use have been bulk granulated, 21 percent liquid and 64 percent in large packages. For the like period a year ago the latter percentage was about 69. For the beet portion of these deliveries the percentage in packages dropped from 71 to 62 offset primarily by an increase in bulk deliveries.

For the calendar year through mid-December, the spot price of raw sugar, duty paid, at New York has averaged 6.27 cents per pound as compared to 6.25 cents for the same period last year. The wholesale price of refined sugar at New York has averaged 9.27 cents per pound during 1958 or 0.12 cent higher than a year ago. The differential between the price of raw and refined sugar at New York has been .10 wider than during 1957.

The price for raw sugar f.a.s. Cuban port, destined to the world free market climbed from its recent low point of 3.38 cents per pound early in November to 3.72 cents on December 10, the highest level attained since January. By mid-December it was slightly lower and amounted to 3.63 cents, which was also the average for the first half of December.

Cuban world market exports through November 15 amounted to 2,306 thousand metric tons. According to trade sources, exports between November 15 and December 6 were at an average weekly rate of about 25,000 tons. This rate would have to accelerate, if Cuban world market exports in 1958 are to reach the 2,500 thousand ton level. If it is assumed, however, that free market exports will amount to 2,500 thousand metric or 2,426 thousand Spanish long tons, we calculate a carryover of 645 thousand Sp. l.t., at least 94,000 tons of which will be over-quota sugar at U. S. refineries on December 31. Thus the total may be about the same

as one year ago (661 thousand Spanish long tons) or two years ago (619 thousand Sp. l.t.) and substantially higher than expected earlier. With such a result Cuba will have failed to export her 2,790 thousand metric ton ISA quota by a tonnage in excess of her 1957 shortfall (205 thousand tons) or her 1956 shortfall (173 thousand tons). The details of the Cuban supply situation follow:

Cuba: 1958 Sugar Supplies and Requirements as of Dec. 16, 1958:

	<u>1,000 Spanish long tons, raw value 1/</u>	<u>1,000 short tons, raw value 1/</u>
Carryover	661 <u>2/</u>	771
Production	<u>5,675 <u>3/</u></u>	<u>6,619</u>
Total supply	6,336	7,389
U.S. quotas (crystalline, liquid and local Hawaiian deficit) <u>4/</u>	2,980	3,475
Estimated free market exports	2,426	2,829
Domestic requirements <u>5/</u>	260	303
Sugar for livestock feed <u>6/</u>	<u>25</u>	<u>29</u>
Total requirements	5,691	6,636
Prospective year-end carryover	645	752

1/ One Spanish long ton, raw sugar, polarizing about 97.5 degrees, equals 1.16626 short tons, raw value.

2/ Excludes 18,394 Spanish long tons exported in 1957 but charged to ICEA Sales Quota 1958.

3/ Based on Cuban Sugar Mill Owners Association data; figure includes 30,985 Spanish long tons of sugar to fill Cuban liquid sugar quota in the U.S. and 34,326 Spanish long tons of sugar for livestock feed.

4/ Crystalline quota 3,437,582 sh.t.r.v.; charges to drawback credits 3,262 tons; liquid quota 33,473 tons; local Hawaiian deficit reallocation 1,152 tons.

5/ 300,000 Sp. l.t. allocated; but only 260,000 tons expected to be used.

6/ Estimated on the basis of 27 thousand sh.t.r.v. entered through December 11, 1958.

Under the new International Sugar Agreement prospective members are entitled to market about 7,000,000 metric tons of sugar in the world free market in 1959. In addition the few prospective non-members, may have about 400,000 tons available for export. The details are shown below.

<u>Prospective ISA members</u>	<u>1,000 metric tons, raw value</u>
Basic export tonnage of all countries to which both basic export tonnages (Art. 14(1) and votes (Art. 34) have been assigned in the new Sugar Agreement	6,325
Special reserve tonnages, Art. 14(5)	215
Belgium to Morocco, Art. 14(1)	25
France, Art. 14(1)	380
U.S.S.R., Art. 14(2)(b)	50
Central American countries, Art. 14(3)	20
Subtotal: Prospective members entitlements	7,015
<u>Prospective non-members:</u>	
Argentina	175
Soviet Zone of Germany	175
Turkey, Ecuador, Paraguay and smaller exporters	50
Subtotal	400
TOTAL	7,415

Generally, these tonnages will either be available for exportation from the country entitled to such exportation or, in the case of "basic export tonnages," deficits will be subject to reallocation. However, France with only slight increases in Metropolitan beet and Overseas cane sugar production may not be able to export an estimated 200,000 tons of her 380,000 ton entitlement in addition to her basic export tonnage (20,000 tons). It is also unlikely that any substantial portion of the Article 15 "Common Market" tonnage will be shipped. Accordingly, supplies may add up to 7.2 million tons after deduction of 200,000 tons from the entitlement of France.

Under the new International Sugar Agreement the concept of the world free market is enlarged to include French exports to Morocco

and to Tunisia, Belgian exports to Morocco up to 25,000 tons, and Soviet re-exports of sugar imported from Czechoslovakia, Hungary and Poland up to 50,000 tons. The inclusion of Moroccan and Tunisian requirements as part of the world free market adds 435-450 thousand tons to that market.

Requirements for 1958 plus Moroccan and Tunisian requirements are about 6,200 thousand tons. In 1959, there will be no requirements or greatly reduced requirements in Spain, Argentina, the Netherlands, Germany (Federal Republic) and most likely in Mainland China -- a total decline of about 400,000 tons. Increased requirements are presently evident only in Sweden. Accordingly, world free market requirements in 1959 appear to be 5,860 thousand tons.

Although supplies must exceed requirements because of seasonal and regional elements and because of losses of various kinds, the excess of supplies over requirements of about 1.3 million tons is large. Ultimately, there may be some shortfalls of supplies under the International Sugar Agreement which are not reallocated. If prices fall below 3.45, 3.25 and 3.15 cents per pound, the International Sugar Council has discretion to reduce quotas initially established by increasing percentages of the basic export and special reserve tonnages. Last but not least, unforeseen requirements may materialize as has been characteristic for the world free market year after year.

FACTORS IN THE ADMINISTRATION OF THE SUGAR ACT

Address delivered

by

Lawrence Myers, Director, Sugar Division
Commodity Stabilization Service
U. S. Département of Agriculture

Before the annual meeting of the Hawaiian Sugar Planters
Association, December 2, 1958, at Honolulu, Hawaii

It is both an honor and a pleasure to be permitted to address your annual meeting. The attractions of Hawaii, its beautiful scenery, its enjoyable climate, its charming people have won worldwide renown. That is the reason so many thousands of people from the mainland and elsewhere come to visit your islands and to relax on your beaches. It is also the reason, I confess, why those of us who work with your industries are somewhat timid about coming to Hawaii, especially in winter time. There is always the prospect that some will interpret a visit to these enjoyable islands as a vacation junket. Yet in addition to their exotic attractions the Hawaiian Islands also have huge agricultural industries.

Your sugar industry is outstanding in size and efficiency. The net worth of your plantations is close to \$200 million. The gross income of your sugar industry approximates \$150 million annually. I wish I could add that the profits of the Hawaiian sugar industry are commensurate with its size and other outstanding characteristics. The record shows, however, that profits for your industry have been modest or disappointing. In 1954 the 26 plantations for which data are published showed an average net profit of 4 percent on net worth, after including the conditional payments under the Sugar Act. This figure tends to be an overstatement, however, since the net worth of several plantations was low because their net income over the years had been too small to liquidate their indebtedness. Excluding the Sugar Act payments, 16 of the 26 companies showed a loss on their 1954 operations, and the 1954 crop was a good one. Obviously the returns for 1958 will be dismal and will confront all segments of the Hawaiian sugar industry with serious problems concerning the future of their economic life.

It is in the field of efficiency of production that Hawaii's sugar industry has been most outstanding. With your long growing period, of approximately two years, your yield per acre of sugar per harvest is the highest in the world. Even on the basis of the number of tons of sugar produced per acre per year your yields are still the highest of any domestic area and are among the highest in the world.

Hawaii's greatest achievement in production, however, has been its output per day of man labor. For years prior to 1956 Hawaii produced more sugar per day of man labor than any other area on the face of the earth. Your industry has invested many millions of dollars pioneering new machines and new methods to increase your efficiency. Your scientists have done far more than to make two blades of grass grow where one grew before; they have worked miracles all the way from plant breeding through soil preparation, plant feeding, plant watering, cane harvesting and milling. Your management has gained worldwide reputation for its planning, its daring, and its competence in developing and adopting the new ways of science and art to enhance the efficiency of your production. That, incidentally, is why some of your plantation managers are being drafted to direct other sugar enterprises in far off lands.

Hawaiian labor has been competent and cooperative in these efforts. Hawaiian labor has recognized that its own wage rates are dependent upon efficient production. It is because of this efficiency of production that the Hawaiian sugar industry has been able to pay the highest wages paid in any major agricultural industry anywhere in the world, with the sole exception of your own pineapple industry.

Preliminary reports indicate that the average prevailing wage for field workers in Hawaii was slightly over \$13.00 per day for 1958. When the cost of fringe benefits is added to this, the total average cost for field labor in Hawaii will come close to \$17 per man day. For the other domestic areas, wages of field workers range from an average of approximately \$3.50 per day in Puerto Rico to about \$8.30 in Florida. Hawaiian sugar workers earn as much per hour as the workers in some foreign sugar-producing areas earn in a day.

From the standpoint of maintaining high living standards it is equally important that the Hawaiian sugar industry provides close to year-around employment. Characteristically the sugarcane and sugar beet industries of the world provide full employment for only about

3 to 6 months, making it necessary for laborers to go elsewhere or find secondary employment for the remainder of the year.

Clearly, the wages on Hawaiian sugar plantations are far above those of your competitors in other domestic areas and in foreign areas. Your wages are also far above the average of approximately \$6.00 per day for agriculture as a whole on the mainland. Your wages compare favorably with the average of \$16.56 per day for all manufacturing industries in the United States. Your industry has been able to pay higher wages than other sugar producing areas because you have made more efficient use of your labor. However, your competitors on the mainland and in foreign countries are also becoming more efficient. As a matter of fact, Florida produced slightly more sugar per man day than Hawaii did in both 1956 and 1957.

Although the Hawaiian sugar industry has shown a most commendable willingness and ability to solve its own problems, Hawaii, like all of our other domestic sugar areas, receives the benefits of our tariff and sugar legislation. Even foreign countries supplying the United States market receive the benefit of the quota premiums normally paid on sugar purchased for consumption in the United States. The tariff and Sugar Act usually give domestic growers higher returns than they would receive if they were forced to sell at world prices. The Sugar Act is both a price supporting mechanism and a price stabilizing mechanism. Normally it keeps prices in the domestic market above those prevailing in the world market. At times, such as during the Korean crisis in 1950 and 1951 and again in 1957, the world price has risen above the domestic price. The price stabilization effect of the Sugar Act is, therefore, important, although its price supporting effect is usually predominant.

Since the tariff and sugar program have the primary effect of maintaining domestic prices above the world level, domestic producers are properly concerned with the soundness of the world price structure which is the foundation upon which their own superstructure is built. The domestic sugar industry has not forgotten the sad experience of the late 1920's when the world price of sugar started to dissolve. That downward movement did not end until the spring of 1932, when the world price barely exceeded one-half cent per pound and the New York duty paid price reached a low point of close to 2.50 cents per pound. Of course, the great depression was a factor in the sugar price decline after 1929. The fact

remains, however, that the decline in world sugar prices started in the latter half of the 1920's when world production expanded more rapidly than world consumption. In an effort to prevent a repetition of that unfortunate experience, the major sugar exporting and importing countries of the world have developed and adopted an International Sugar Agreement.

The International Sugar Agreement is primarily a price stabilization measure. It is not expected to support prices above the long time average level that would prevail under normal conditions with enlightened world production programs. The International Sugar Agreement provides a quota mechanism for the stabilization of prices in the world market. Each member exporting country has a basic export tonnage which was established by negotiation. The International Sugar Council is required each year to determine world free market requirements and to establish annual export quotas by adjusting the basic export tonnages on a pro rata basis to equal the free market requirements from member countries. The Agreement is designed to stabilize prices between 3.15 cents per pound and 4 cents per pound in the world market. The world spot-price, f.a.s. Cuba, as quoted by the New York Coffee and Sugar Exchange, is used as a measure of world prices.

When the price falls below 3.15 cents per pound, quotas may be cut as much as 20 percent below the basic export tonnages. When the price exceeds 4 cents per pound, all restrictions under the Agreement are removed. Within this price range there are three critical price points, namely, 3.25 cents, 3.45 cents and 3.75 cents per pound, at which quota adjustments become permissive or mandatory. Except during late 1956 and 1957 prices have been around 3.25 to 3.50 cents per pound most of the time since the 1953 Agreement has been in effect. The Sugar Agreement of 1953 will expire December 31, of this year. Accordingly, during September and October a negotiating conference was held in Geneva, Switzerland, at which time a new Sugar Agreement was negotiated for the five years 1959 to 1963, inclusive. At these negotiations the United States Delegation again consisted of both government and industry representatives. We were fortunate in having Mr. Howard Babbitt of Hawaii with us during a part of the negotiations in Geneva.

In addition to the basic export tonnages, which are always difficult to negotiate, the recent conference was confronted with two major problems. It was necessary to increase the protection afforded importers under the Agreement. Also, it was desirable, if at all

possible, to get Brazil, Peru, India, and Denmark to join the Agreement. The quota problem was met in large part by permitting no revisions in the quotas for the countries that had been members of the 1953 agreement. This confined the quota negotiations substantially to the prospective new members. I am glad to report that the delegates from Brazil, Peru, and Denmark indicated at the conference that they expect their governments to join the new Agreement. There is reason to hope that India also will find it possible to join the Agreement. With these additions the member countries of the new agreement will include all of the important sugar exporting countries of the world. As a member of the Cuban Delegation put it, "If an international agreement with such complete coverage is not effective then it appears that we will have to look in some other direction for a solution to the world sugar problem."

The Sugar Agreement was improved from the standpoint of importers in two important respects. First, minimum stocks to be held for meeting emergencies were increased from 10 percent to 12-1/2 percent of the basic export tonnages. Since this provision will apply to the new members as well as the old, it should result in more than a 25 percent increase in the world stocks held for such purpose. Moreover, the Commonwealth countries have agreed to hold 50,000 tons of sugar available at all times for sale on the world market, if needed for stabilization purposes. The 50,000 tons can be very helpful in times of need, but the most important aspect of the Commonwealth's commitment, it seems to me, is that the Commonwealth producers indicate their intention of carrying sufficient reserve stocks to meet any emergency requirements of their own markets.

Another revision that appealed to the major importers from the world market was a requirement for Council meetings to study the supply situation and to increase quotas by at least 2-1/2 percent whenever the world price rises above 3.75 cents per pound. This is consistent with the requirement that all restrictions be removed when the price exceeds 4 cents per pound. Consideration was given to a provision under which signatory importing countries would have an option to purchase certain quantities of sugar at the ceiling price of 4 cents per pound in the event the market price should rise above that level. This would seem to hold great promise for the future. Unfortunately it was not possible to have it incorporated in the agreement but provision was made for studying this proposal for future application either under the Agreement or collateral to it.

In construction and in coverage, therefore, it appears that the new International Sugar Agreement will be strengthened as a price stabilizing measure for the protection of both exporters and importers. It would be seeing the trees and missing the forest, however, to look only at the technical features of the International Sugar Agreement. Its greatest benefits in my opinion will come from the forum it provides for the study and discussion of international sugar problems and from the statistical and informational services which will now be developed under it. It would seem as though our domestic producers would be justified in proceeding with a greater degree of confidence in the substantial stability of the world sugar market as a result of the new agreement.

And now, after this brief look at the international situation, let's turn to our own Sugar Act. It would be carrying coals to Newcastle to undertake to explain to this audience the application of the Sugar Act to farms and plantations. In your planning, however, it is well to keep in mind always the extent to which your incomes are influenced by governmental programs and the problems as well as the opportunities thereby confronting you.

When the special sugar legislation was being developed in the early 1930's it was accepted that a high tariff alone did not afford adequate protection to our domestic sugar producers. Since the sugar legislation has been in effect the tariff on Cuban sugar has been reduced progressively from the rate of 2 cents per pound provided under the Tariff Act of 1930 to the current level of 1/2 cents per pound and the full duty rate has been reduced from 2-1/2 cents per pound to 5/8 cent per pound. The present effective rate of 1/2 cents per pound on Cuban sugar has been in effect since January 1948 and I know of no proposals for changing it.

The Sugar Act increases growers' incomes in two ways. First, through the quota mechanism domestic prices are normally maintained at levels above world prices. For example, recently the duty paid domestic price of raw sugar has been around 6.30 cents per pound and the world price, f.a.s. Cuba, has been around 3.40 cents per pound. After deducting the tariff of 1/2 cent and the transportation costs from Cuba to New York of 2/5 cent there is a remaining difference of 2 cents per pound. This differential of 2 cents per pound is the current premium resulting from the quotas which restrict the quantity of sugar that may be sold for consumption in the United States. Since the domestic market has been more stable than the world market during the post-war period,

the quota premiums have varied considerably. Except in periods of peak world prices, however, the quota premiums have been substantial.

The second way in which the Sugar Act increases grower incomes is through the conditional payments. These payments are graduated downward from 80 cents per 100 pounds on production not in excess of 350 tons per farm to 30 cents per 100 pounds of production in excess of 30,000 tons per farm. For all domestic areas together the payments average close to 70 cents per 100 pounds. Because of their size most Hawaiian plantations have a large part of their payments at the low rate of 30 cents per 100 pounds.

Associated with the sugar program, but in separate legislation, is a processing tax of 1/2 cent per pound on all sugar consumed in the United States. Since this tax applies to imported as well as domestically produced sugar the proceeds from the tax consistently exceed the amount of conditional payments made under the Sugar Act.

From time to time proposals have been made for the elimination of the tax and payments on the theory that the quota premium would increase sufficiently to prevent any loss in grower income. One of the great advantages of the payment program, however, is that it constitutes a built-in compliance mechanism for administering the domestic control program. If it were eliminated a marketing control program would need to be established for insuring compliance with farm proportionate shares (or marketing allotments). Moreover, the possible effect that the elimination of the tax and the payments might have on grower incomes seems to me to warrant careful study.

Assuming that prices to consumers remained the same, there can be no doubt that the elimination of the tax and payments would result in a loss to growers who receive payments higher than the tax rate of 50 cents per 100 pounds of sugar. The only question, therefore, arises with respect to the large growers whose payments are less than the amount of the tax. In dealing with these cases we must recognize an economic theory under which it is argued that the price to consumers is fixed by the total supplies made available under the quotas. If it is accepted that the price to consumers is rigidly fixed by the quotas, then the tax by assumption must be passed back to the industry rather than added to the prices paid by consumers. Even if this proposition is granted, a question would

exist as to whether all of the rise in the price of raw sugar would go to producers or whether a part of it would be retained by processors. The major question for sugar producers, however, is whether they could depend upon the price benefits.

Economists would agree, I think, that total available supplies tend to establish prices. That, however, is far from the mechanistic concept of price-making forces that is fundamental to the argument that the elimination of the tax would increase prices of raw sugar by an equal amount. Certainly experience in administering price support programs makes one humble and reluctant to say that a specific price response will always be forthcoming from a particular supply action. It is my personal belief that quotas would have to be tightened considerably to maintain the same level of consumer prices without the tax.

The tariff and the benefit payments are fixed in amount but the quota premiums are variable. Quota premiums tend to increase when quotas are cut and to decrease when quotas are made larger. It is for this reason that consumer groups characteristically ask for large quotas and producer groups desire smaller quotas. The Secretary of Agriculture is required by the law to consider the interests of both producers and consumers. Specifically, he is required to make supplies available in sufficient quantity to fairly and equitably maintain and protect the welfare of the domestic sugar industry without being excessive to consumers. Difference of opinion will always exist as to whether a specific price is above or below a fair and equitable level. The test of whether or not the domestic sugar industry as a whole is being maintained is, fortunately, more objective.

One of the controversial issues has been the timing of quota adjustments. In view of the uncertainties as to demand and the importance of psychological factors and short-time developments, representatives of the several domestic sugar-producing areas have consistently and unanimously recommended that the Department establish quotas at moderate levels at the beginning of the year and then add to the supplies as prices strengthen later in the year, especially during the period of heavy seasonal demand. By and large the Department has followed these recommendations. Surprisingly enough, however, this has led to a good deal of criticism from certain producer spokesmen. Inherently, the practice recommended by the industry requires that quotas be increased as prices strengthen. When this time comes, however, the critics argue that by increasing supplies at such times the Department undertakes to depress prices against

the interests of producers. Frankly, it would be somewhat easier for the Department to establish quotas high enough at the beginning of the year to make subsequent increases unnecessary. Having taken the harder course at the industry's recommendation, we feel that it is the industry's responsibility to defend the actions.

There is also a tendency for some producer representatives to maintain that quotas are consistently too large and thereby tend to depress prices to producers. The fact is that except for the periods of crises referred to above our quotas have been as tight as it has been practical to make them. Many tend to overlook the fact that our large consuming population of the northeast is dependent entirely upon off-shore supplies. Year after year supplies for that area have been down to rock bottom at the year end. Many of the proposals for obtaining materially higher prices through tighter quota controls would, if adopted, result in a severe shortage of sugar in the northeastern States. I submit to you the question of whether the Sugar Act would long remain on the statute books if the northeast were to run out of sugar.

In many respects the beet industry, your own industry, and the mainland cane industry are far more influential in determining the size of the quotas necessary to meet the requirements of domestic consumers than are we in the Department of Agriculture. If all of these three producing areas fill their quotas by consistent marketings throughout the year, the off-shore supplies available for the northeast will tend to be reserved for that area and the total supplies can be smaller. If, however, the off-shore supplies are sold in the other areas, such as the north central States, then the Department has no alternative but to take the necessary action to replenish supplies for the northeast.

Our sugar producers must face the fact that there are practical limits in the extent to which domestic prices can be raised by restricting quotas. Some of the arguments for obtaining ever higher prices through smaller quotas remind me of the efficiency expert from New York who made a study of a dairy farm. After going through the milking parlor and observing the milking machines at work, he announced that the answer to the dairy problem was to increase the suction on all milking machines sufficiently to double the production of milk.

The past two years have seen most unusual and excessive strains put upon the Sugar Act program. In 1957 world supplies were very short and world prices rose to high levels. It was vital to the sugar

economy of the whole world that we prevent a hoarding movement on the part of our U. S. consumers. Fortunately, our domestic consumers bought in moderation. The Puerto Rican drought in 1957 resulted in a short crop and large deficit reallocations from Puerto Rico to the other domestic areas. This tended to shorten supplies in the northeast and to increase them in the west. In 1958 a continuation of the Puerto Rican drought and the large cut in the Hawaiian crop as the result of your strike further unbalanced supplies in the continental United States. Fortunately it has been possible to cope with these extreme conditions, and those of us in the Department of Agriculture who have had to deal with them are inclined to take the position that we have seen everything now. It would be amazing if we were confronted with the repetition of such drastic world price and domestic deficit situations again in the near future.

Presumably work will start shortly on an extension of the Sugar Act. So far as I am aware there is no desire on the part of the sugar industry for any major revisions in the Act. Any amendments in the procedural provisions of the Act should be small and of limited interest. In the quota provisions anything is possible but I am sure it is the sincere wish of all proponents of the sugar program that the quota battle be more moderate than it was in 1955 and 1956. That battle for quotas, especially foreign quotas, you will recall, gave rise to a subsequent investigation by the Senate Special Committee on Political Activities, Lobbying and Campaign Contributions.

The question that I am most frequently asked in regard to the new legislation is whether Puerto Rico and Hawaii can be depended upon to fill their quotas in the future. The present Act provides that 55 percent of all increases in domestic consumption be supplied by domestic producing areas and that deficits resulting from the failure of one or more domestic areas to fill such quantities first be re-allocated to other domestic areas. These provisions are of great benefit to domestic producers. It follows, however, that each domestic producing area should carefully and honestly appraise its production prospects. That is necessary to assure supplies to consumers and to obtain a proper geographic balance of supplies within the continental United States. This is essential not only to satisfy consumer requirements but also to preserve a pattern of prices that will yield fair returns to producers who sell in the southern and western parts of the United States without being excessive to consumers in the northeast. We must face the fact that an area quota is more than a marketing opportunity. It also

involves a moral commitment to produce. If an area cannot be depended upon to fill its quota then arrangements must be made to obtain the sugar elsewhere.

Our sugar legislation has been of great benefit to domestic and foreign suppliers for nearly a quarter of a century. Also, it has proved helpful in protecting domestic consumers against shortages and excessive prices during past periods of emergency. It seems reasonable to suppose, therefore, that the Congress will continue to extent Sugar Act so long as it appears to be in the national interest and of benefit to consumers and producers.

ADMINISTRATIVE ACTIONS

Date announced

Administrative action

November 29, 1958	Determination of sugar commercially recoverable from 1958 crop sugarcane in the Mainland Cane Sugar Area. This determination provides the basis for establishing the quantities of sugar upon which payments are made under the Sugar Act. (See November 29, 1958 Federal Register).
November 29, 1958	Determination of normal yields of commercially recoverable sugar and eligibility for abandonment and crop deficiency payments under the Sugar Act in the Mainland Cane Sugar Area for the 1958 and subsequent crops. (See November 29, 1958 Federal Register).
December 3, 1958	Determinations by the respective Agricultural Stabilization and Conservation County Committees of designated counties and local producing areas of 22 states for 1957-crop sugar beets in which affected producers are eligible for abandonment and crop deficiency payments under the Sugar Act. (See December 3, 1958 Federal Register).
December 4, 1958	Determination that no restrictions shall apply to marketings of 1958-59 crop sugarcane from individual farms in Puerto Rico. The Sugar Act requires restrictive proportionate shares only when production will result in excessive inventories

- December 4, 1958 (contd) and this situation is not anticipated for the 1958-59 Puerto Rican crop. (See December 9, 1958 Federal Register).
- December 10, 1958 Revised deficits in allotments of direct-consumption portion of mainland quota for Puerto Rico, 1958. This amendment increases the allotments of two allottees by a total 1,450 tons, and decreases the allotment of one allottee by a corresponding amount. (See December 10, 1958 Federal Register).
- December 10, 1958 The Agricultural Stabilization and Conservation California State Committee issued the bases and procedures for dividing the State into proportionate share areas and establishing farm proportionate shares from the established state allocation totaling 200,503 acres, for 1958 crop sugar beets. (See December 10, 1958 Federal Register).
- December 10, 1958 The Agricultural Stabilization and Conservation State Committees of Michigan and Wisconsin issued the bases and procedures for establishing individual farm proportionate shares from their established state allocations, totaling 76,437 and 9,058 acres, respectively, for 1958 crop sugar beets. (See December 10, 1958 Federal Register).
- December 13, 1958 Revised amendment 1 to S.D. 856.2 (Determination of proportionate shares, Hawaii) to provide that, beginning with the 1955 crop, a processor-producer who permits the expansion of sugarcane acreage by small producers without expanding his own acreage concurrently may expand his acreage within five years and thus restore the acreage relationships existing prior to the small producer expansion. Under the previous determination, the processor-producer was required to expand his acreage within the same year if he wished to retain acreage parity. (See December 13, 1958 Federal Register).

SUGAR STATISTICS VOLUME II

Sugar Statistics, Volume II (Statistical Bulletin No. 150), December 1954, now being revised and brought up to date, should be available for distribution early in 1959. Therefore the supplement to Volume II usually included in the December issue of Sugar Reports is omitted this year.

STATISTICAL SERIES IN THIS ISSUEHIGHLIGHTS

1. November sugar deliveries for U.S. consumption, 603,000 short tons, raw value (preliminary) down 21,000 tons, or 3 percent from November 1957. Deliveries January 1 through November 30, 1958 were 8,172,000 tons, up 220,000 tons from same period last year. Final data for October 1958 deliveries, 778,000 short tons, raw value; the previously published preliminary figure for that month was 772,000 tons.

2. Primary distributors' stocks November 29, 1958 were 1,649,000 short tons, raw value (preliminary) up 609,000 tons from October 31, 1958, but down 108,000 from a year ago. During November stocks of beet processors increased 455,000 tons, those of refiners increased 112,000 tons, and stocks of mainland cane sugar processors increased 48,000 tons; importers of direct-consumption sugar stocks decreased about 6,000 tons. As compared with a year ago stocks of refiners were smaller by 120,000 tons but stocks of beet processors and of importers of direct-consumption sugar were larger by 7,000 and 5,000 tons, respectively; mainland sugarcane processor stocks were about the same as a year ago.

3. Quota charges, January-November 1958, were 8,405,000 tons, 0.3 percent smaller than during the same 1957 period. Charges to quota up: Cuba 279,000 tons, Domestic Beet Area 155,000 tons, Philippines 74,000 tons, and "full duty" foreign countries 19,000 tons. Charges to quotas down: Hawaii 415,000 tons, Puerto Rico 78,000 tons, Mainland Cane Area 48,000 tons, and the Virgin Islands about 9,000 tons.

4. October 1958 sugar deliveries, as compared with a year earlier, were larger to each region. Increases were 17 percent to the North Central region, 10 percent each to the Southern and Western regions, 5 percent to the New England, and 2 percent to the Middle Atlantic region. Deliveries in October were smaller than in September 1958 to each region; these decreases ranged from 6 to 9 percent in four of the regions and in the Western region the decrease was 24 percent. First ten months 1958 deliveries were larger than during the corresponding period of 1957 by 3 to 6 percent in the New England, North Central, and Southern regions; in the Middle Atlantic and Western regions deliveries were about the same in 1958 as in 1957.

5. Third quarter 1958 deliveries of sugar to industrial users were up 4 percent from the same 1957 quarter, and to non-industrial buyers 11.1 percent. Among the industrial users increases ranged between 4.7 percent in deliveries to beverage manufacturers and 10.8 percent to non-food products' manufacturers. Only for canned and allied products and the multiple groups were small decreases shown. For the non-industrial buyers deliveries to all groups increased between 9.4 and 15.1 percent. Regional changes were highly variable -- see table 19. The increase in sugar deliveries, January-September 1958 compared with 1957, was larger for household use than for industrial and institutional use -- see table 20.

Table 1. -Distribution of sugar by primary distributors in the continental United States, Puerto Rico, and Hawaii during January-October 1958 and 1957

	1958 (Short tons, raw value)	1957 (Short tons, raw value)
<u>Continental United States</u>		
Refiners' raw	1,317	2,472
Refiners' refined	5,248,635	5,142,271
Beet processors' refined	1,801,659	1,650,930
Importers' direct consumption	573,765	523,496
Mainland sugarcane processors' direct-consumption	27,040 ^{1/}	37,262
Total	7,652,416	7,356,431
Deliveries for:		
Export	52,395 ^{2/}	24,673
Livestock feed	31,637 ^{2/}	4,383
Continental consumption ^{3/}	7,568,384	7,327,375
<u>Puerto Rico</u>	93,377	88,883
<u>Hawaii</u>	34,870	35,383

^{1/} Deliveries for direct-consumption by mainland sugarcane processors that acquire no raw sugar from others for refining; deliveries by mainland sugarcane processor-refiners are included in deliveries by refiners.

^{2/} See Tables 3 to 6.

^{3/} Includes deliveries for United States Military forces at home and abroad.

Table 2. -Stocks of sugar held by primary distributors in the continental United States, October 31, 1958 and 1957

	1958 (Short tons, raw value)	1957 (Short tons, raw value)
Refiners' raw	163,929	270,471
Refiners' refined	247,030	280,475
Beet processors' refined	583,230	602,269
Importers' direct consumption	36,886	44,461
Mainland sugarcane processors	9,020*	15,727
Total	1,040,095	1,213,403

* Stocks of sugar of mainland sugarcane processors that acquire no raw sugar from others for refining; processor-refiner stocks are included in refiners' stocks.

Table 3. -Raw Sugar: Refiners' stocks, receipts, meltings and deliveries, January-October, 1958*

	(Short tons, raw value)
Stocks, January 1, 1958	281,275
Receipts	5,152,180
Meltings	5,264,825
Deliveries for direct consumption	1,317
Deliveries for export	0
Deliveries for livestock feed	0
Gains and (losses), adjustments, etc.	(3,384)
Stocks, October 31, 1958	163,929

* For receipts by source of supply, see Table 8.

Source: Compiled from reports on Form SU-73 and 74.

Table 4.-Refined sugar: Refiners' and beet processors' stocks, production and deliveries, January-October 1958.

	Cane sugar (Short tons, raw value)	Beet sugar (Short tons, raw value)
Stocks, January 1, 1958	265,030	1,234,327
Production from raws melted	5,226,100	0
Production direct from cane or beets	5,616	1,151,141
Imported refined receipts	7,747	0
Deliveries for continental consumption	5,202,106	1,799,357
Deliveries for export	44,238	1,817
Deliveries for livestock feed	2,291	485
Gains and (losses), adjustments, etc.	(8,828)	(579)
Stocks, October 31, 1958	247,030	583,230

Source: Compiled from reports on Forms SU-73 and SU-74 from cane sugar refiners and on Form SU-70 from beet sugar processors.

Table 5.-Direct-consumption sugar: Importers' stocks, receipts and deliveries, January-October, 1958 1/

	(Short tons, raw value)
Stocks, January 1, 1958	17,932
Receipts	592,943
Deliveries for continental consumption	538,573
Deliveries for export	6,340
Deliveries for livestock feed	28,852
Gains and (losses), adjustments, etc.	(224)
Stocks, October 31, 1958	36,886

1/ For receipt by source of supply, see Table 8.

Source: Compiled from reports on Form SU-75 from importers of direct-consumption sugar.

Table 6.-Mainland sugarcane processors: Stocks, production and deliveries of mainland cane sugar, January-October 31, 1958.

	(Short tons, raw value)
Stocks, January 1, 1958	81,249
Production	130,165
Deliveries:	
For further processing	175,523
For direct consumption	27,031
For export	0
For livestock feed	9
Total	202,563
Gains and (losses), adjustments, etc.	+169
Stocks, October 31, 1958	9,020

Source: Compiled from reports submitted on Forms 71 and 72 by mainland sugarcane processors.

Table 7.-Mainland Sugar: Production and allotment charges, January-October, 1958

	Cane sugar (Short tons, raw value)	Beet sugar (raw value)
<u>Production</u>	148,349	1,150,562
<u>Allotment charges</u>		
Louisiana sugarcane processors:		
For further processing	95,661	
For direct-consumption	22,423	
Louisiana processor-refiners	52,044	
Florida sugarcane processors	120,047	
Beet processors		1,799,321
Total	290,175	1,799,321

Source: Compiled from reports submitted by mainland sugarcane processors and processor refiners on Forms S^u-71, 72 and 73 and by beet processors on Form SU-70.

Table 8. -Refiners and importers: Receipts by source of supply. 1/ January-October 1958.

Source of supply	Refiners (raw sugar) (Short tons, raw value)	Importers (DC sugar)
Cuba	2,798,939	404,516
Cuba refined	161 ^{2/}	0
Hawaii	465,439	0
Hawaii refined	7,586 ^{2/}	0
Mainland cane area	178,852	0
Philippines, Republic of the	922,755	19,062
Puerto Rico	658,956	112,978
Virgin Islands	6,093	0
Other countries	119,254	56,387
Not identifiable	1,892	0
Total	5,159,927	592,943
For further processing	5,152,180	

1/ Includes quota exempt sugar as follows: Importers - for feed, 25,620 tons; for re-export, 9,562 tons; Refiners - for feed, 2,314 tons; for re-export, 36,410 tons; Total, 73,906 tons. 2/ Refined sugar imported by refiners.

Table 9.-Distribution of sugar by primary distributors in the continental United States, November and January-November, 1958 and 1957

	1958 ^{1/}		1957	
	Nov.	Jan.-Nov. (Short tons, raw value)	Nov.	Jan.-Nov.
Refiners	425,549	5,675,501	437,798	5,582,541
Beet processors	147,866	1,949,525	142,294	1,793,224
Importers	22,464	596,229	39,671	563,167
Mainland sugarcane processors	<u>7,500^{2/}</u>	<u>34,540</u>	<u>7,684</u>	<u>44,946</u>
Total	603,379	8,255,795	627,447	7,983,878
Deliveries for:				
Export		52,395	1,834	26,507
Livestock feed		31,637	2,043	6,426
For continental consumption ^{3/}	603,379	8,171,763	623,570	7,950,945

^{1/} Preliminary

^{2/} Estimated

^{3/} Includes deliveries for U.S. military forces at home and abroad.

Table 10.-Stocks of sugar held by primary distributors in the continental United States, November 29, 1958 and November 30, 1957.

	1958 ^{1/}	1957
	(Short tons, raw value)	
Refiners' raw	263,381	348,043
Refiners' refined	259,682	295,446
Beet processors	1,038,011	1,030,880
Importers' direct-consumption	31,247	26,003
Mainland sugarcane processors	<u>57,000^{2/}</u>	<u>56,981</u>
Total	1,649,321	1,757,353

^{1/} Preliminary

^{2/} Not available; estimated same as 1957.

Table 11. -Status of 1958 Sugar Quotas as of November 30, 1958^{1/}

Area	Quota	Credit for draw- back of duty	Charge to quota & off- ^{2/} set to drawback of duty		Unfilled balance	
			Total	Direct- consump- tion from offshore areas ^{3/}	Total	Within direct con- sumption limits for offshore areas
Short tons, raw value						
Domestic beet	2,292,488		1,947,187 ^{4/}		345,301	
Mainland cane	720,805		481,175 ^{4/}		239,630	
Hawaii ^{5/}	700,000		573,657	10,257	126,343	21,146
Puerto Rico ^{5/}	815,000		810,791	114,910	4,209	21,203
Virgin Islands ^{5/}	6,100		6,093		7	
Republic of the Philippines	980,000	0	980,000	22,750	0	0
Cuba	3,437,582	3,262	3,380,593	375,228	60,251	0
Other foreign countries	<u>279,304</u>	<u>2,517</u>	<u>225,782</u>	<u>61,776</u>	<u>56,039</u>	<u>804</u>
Total	9,231,279	5,779	8,405,278	584,921	831,780 ^{6/}	43,153
Details of other foreign countries						
Peru	86,867	509	56,087	9,841	31,289	3
Dominican Republic	86,831	854	77,588	8,746	10,097	15
Mexico	66,266	75	53,123	15,919	13,218	11
Nicaragua	15,628	1,069	16,037	11,563	660	0
Haiti	8,005	0	7,240	0	765	765
Netherlands	4,359	0	4,359	4,359	0	0
China	4,253	0	4,243	4,243	10	10
Panama	4,253	0	4,253	4,253	0	0
Costa Rica	1,123	0	1,123	1,123	0	0
Canada	766	0	766	766	0	0
United Kingdom	626	10	636	636	0	0
Belgium	221	0	221	221	0	0
British Guiana	102	0	102	102	0	0
Hong Kong	<u>4</u>	<u>0</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>0</u>
Total	279,304	2,517	225,782 ^{7/}	61,776	56,039	804

LIQUID SUGAR ^{8/}

(wine gallons of 72 percent total sugar content)

Cuba	7,970,558	7,947,172	23,386
Dominican Republic	830,894	830,894	0
British West Indies	300,000	0	300,000

1/ Quota exempt sugar entered under Section 212(4); Cuban for feed, 25,927; for re-export, 51,489; Mexican for feed, 3,054; for re-export, 369; total, 80,839. Entered under bond for 1959 quota charges from Cuba, 8,976 and from Philippines, 2,142. 2/ These data include the following: (a) Domestic beet and mainland cane partly estimated; (b) all other sugar entered or authorized for entry as of November 30, 1958. 3/ Includes raw sugar for direct-consumption from Cuba, 15,030; Philippines, 2,464; Dominican Republic, 9; Peru, 3; total, 17,506. 4/ Estimated. 5/ Despite declaration of deficit the full basic quotas are available as follows: Hawaii, 1,090,496; Puerto Rico, 1,140,253; Virgin Islands, 15,549. 6/ Applications being held pending availability of quota; Cuba, 2,987; Netherlands, 3,241; Hong Kong, 26; Canada, 641; and China, 231. 7/ Under Section 212(1), charges to quotas exclude the first 10 tons entered by each country except Costa Rica. 8/ 15,960 gallons were entered by United Kingdom under Section 212(3).

Table 12. -Comparison of charges to quotas and offsets to drawback of duty, January-November, 1958 and 1957

(Short tons, raw value and percentages)

	1958	1957	Increase		Decrease	
			Tons	Percent	Tons	Percent
Domestic beet	1,947,187 ^{1/}	1,791,807 ^{2/}	155,380	8.7		
Mainland cane	481,175 ^{1/}	529,339 ^{2/}			48,164	9.1
Hawaii	573,657	988,594			414,937	42.0
Puerto Rico	810,791	888,312			77,521	8.7
Virgin Islands	6,093	14,753			8,660	58.7
Philippines	980,000	905,787	74,213	8.2		
Cuba	3,380,593	3,101,593	279,000	9.0		
Other foreign countries	225,782	206,430	19,352	9.4		
Total	8,405,278	8,426,615			21,337	0.3
Details of other foreign countries						
Peru	56,087	78,987			22,900	29.0
Dominican Republic	77,588	60,042	17,546	29.2		
Mexico	53,123	38,493	14,630	38.0		
Nicaragua	16,037	10,276	5,761	56.1		
Haiti	7,240	6,567	673	10.2		
Netherlands	4,359	3,589	770	21.4		
China	4,243	3,494	749	21.4		
Panama	4,253	3,504	749	21.4		
Costa Rica	1,123	0	1,123	-		
Canada	766	631	135	21.4		
United Kingdom	636	516	120	23.3		
Belgium	221	240			19	7.9
British Guiana	102	84	18	21.4		
Hong Kong	4	7			3	
Total	225,782	206,430	19,352	9.4		

LIQUID SUGAR

(Wine gallons of 72 percent total sugar content)

Cuba	7,947,172	7,967,402	20,230	0.3
Dominican Republic	830,894	830,894		
British West Indies	0	0		

^{1/} Partly estimated^{2/} Revised

Table 13.-Status of 1958 Sugar Quotas as of December 11, 1958^{1/}

Area	Quota	Credit for draw- back of duty	Charge to quota & off- ^{2/} set to drawback of duty		Unfilled balance	
			Total	Direct- consump- tion from offshore areas 3/	Total	Within direct con- sumption limits for offshore areas
Short tons, raw value						
Domestic beet	2,292,488		2,001,666 ^{4/}		290,822	
Mainland cane	720,805		584,175 ^{4/}		136,630	
Hawaii 5/	700,000		603,365	10,958	96,635	20,445
Puerto Rico 5/	815,000		814,255	118,374	745	17,739
Virgin Islands 5/	6,100		6,093		7	
Republic of the Philippines	980,000	0	980,000	22,751	0	0
Cuba	3,437,582	3,262	3,418,102	375,228	22,742	0
Other foreign countries	279,304	2,517	245,869	61,789	35,952	791
Total	9,231,279	5,779	8,653,525	589,100	583,533 ^{6/}	38,975
Details of other foreign countries						
Peru	86,867	509	67,871	9,844	19,505	0
Dominican Republic	86,831	854	83,366	8,746	4,319	15
Mexico	66,266	75	55,638	15,919	10,703	11
Nicaragua	15,628	1,069	16,037	11,563	660	0
Haiti	8,005	0	7,240	0	765	765
Netherlands	4,359	0	4,359	4,359	0	0
China	4,253	0	4,253	4,253	0	0
Panama	4,253	0	4,253	4,253	0	0
Costa Rica	1,123	0	1,123	1,123	0	0
Canada	766	0	766	766	0	0
United Kingdom	626	10	636	636	0	0
Belgium	221	0	221	221	0	0
British Guiana	102	0	102	102	0	0
Hong Kong	4	0	4	4	0	0
Total	279,304	2,517	245,869 ^{7/}	61,789	35,952	791

LIQUID SUGAR^{8/}

(wine gallons of 72 percent total sugar content)

Cuba	7,970,558	7,947,172	23,386
Dominican Republic	830,894	830,894	0
British West Indies	300,000	0	300,000

1/ Quota exempt sugar entered under Section 212(4); Cuban for feed, 26,932; for re-export, 51,604; Mexican food feed, 3,054; for reexport, 369; total, 81,959. Entered under bond for 1959 quota charges, from Cuba, 69,050, from Philippines, 6,716.

2/ These data include the following: (a) Domestic beet and mainland cane sugar partly estimated; (b) all other sugar entered or authorized for entry through December 11, 1958. 3/ Includes raw sugar for direct-consumption from Cuba, 15,030; Philippines, 2,465; Dominican Republic, 9; total, 17,507.

4/ Estimated

5/ Despite declaration of deficit the full basic quotas are available as follows: Hawaii, 1,102,988; Puerto Rico, 1,153,314; Virgin Island, 15,727.

6/ Applications being held pending availability of quota; Cuba, 2,987; Netherlands, 3,232; Hong Kong, 26; China, 231; Costa Rica, 271, and Canada, 641. 7/ Under Section 212(1), charges to quotas exclude the first 10 tons entered by each country except Costa Rica. 8/ 14,780 gallons entered by United Kingdom under Section 212(3).

Table 14.-Deliveries of Sugar by Primary Distributors by States, October 1958

	Cane sugar refiners	Beet sugar processors	Importers of direct- consumption sugar	Mainland cane sugar mill*	Total
<u>Hundredweight, refined equivalent</u>					
NEW ENGLAND					
CONN	116559		2920		119479
ME	53219		988		54207
MASS	462943		9120		472063
N H	28456				28456
R I	44575		1500		46075
VT	26531		1060		27591
TOTAL	732283		15588		747871
MID ATLANTIC					
N J	651413		44679		696092
N Y	1531134	40591	88485		1660210
PENN	926850	19442	124861		1071153
TOTAL	3109397	60033	258025		3427455
N CENTRAL					
ILL	599340	926984	11354	15600	1553278
IND	228841	82609	2409		313859
IOWA	54008	131906	3540		189454
KAN	61179	69719			130898
MICH	237467	286451	4489		528407
MINN	31256	189401			220657
MO	216272	107890			324162
NEBR	30927	82726			113653
N DAK	37	33870			33907
OHIO	634189	161753	7319		803261
S DAK	2504	31114			33618
WISC	122829	155619			278448
TOTAL	2218849	2260042	29111	15600	4523602
SOUTHERN					
ALA	230003				230003
ARK	100761				100761
DEL	18344				18344
D C	41943		8890		50833
FLA	134598		130654		265252
GA	301949		33719		335668
KY	187501				187501
LA	356763		5564	2261	364588
MD	286935		19476		306411
MISS	178494				178494
N C	277811		63473		341284
OKLA	100201	29561	225		129987
S C	146875		10611		157486
TENN	287498		640	20	288158
TEXAS	530394	87339	6732	4638	629103
VA	219732		60462		280194
W VA	118792	350	4253		123395
TOTAL	3518594	117250	344699	6919	3987462
WESTERN					
ARIZ	23900	21848			45748
CALI	553969	726508	15500		1295977
COLO	8975	75426			84401
IDAHO	3585	18473			22058
MONT	2151	28467			30618
NEV	5957	3408			9365
N MEX	13880	19044			32924
ORE	49753	64046	2400		116199
UTAH	6504	35266			41770
WASH	57415	142761	10134		210310
WYO	635	8135			8770
TOTAL	726724	1143382	28034		1898140
GRAND TOTAL	10305847	3580707	675457	22519	14584530

Table 15.-Deliveries of sugar by primary distributors, by States, January-October 1957 and 1958

Thousands hundredweights, refined equivalent

	Beet processors		Cane sugar refiners		Importers of D.C.sugar		Mainland cane sugar mills		Total	
	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958
<u>New England</u>										
Connecticut			962	1,014	46	54	1	1	1,009	1,069
Maine			576	570	3	10			579	580
Massachusetts			4,057	4,164	112	117	*	*	4,169	4,281
New Hampshire			289	295	1	*			290	295
Rhode Island			441	427	11	24			452	451
Vermont			197	196	62	67			259	263
Total			6,522	6,666	235	272	1	1	6,758	6,939
<u>Mid-Atlantic</u>										
New Jersey			5,976	6,066	511	604			6,487	6,670
New York	48	235	13,294	12,977	1,370	1,155			14,712	14,367
Pennsylvania	16	115	8,323	8,284	2,150	2,390	*	*	10,489	10,789
Total	64	350	27,593	27,327	4,031	4,149	*	*	31,688	31,826
<u>North Central</u>										
Illinois	6,706	7,029	5,792	5,794	53	101	296	221	12,847	13,145
Indiana	752	977	2,448	2,383	27	28	9	1	3,236	3,389
Iowa	1,164	1,264	593	552	3	43	5	*	1,765	1,859
Kansas	700	721	634	646		2	4	1	1,338	1,370
Michigan	2,077	2,270	2,198	2,228	236	243	11	30	4,522	4,771
Minnesota	1,652	1,706	366	381	1	9	1		2,020	2,096
Missouri	964	1,023	2,244	2,453		4	5	4	3,213	3,484
Nebraska	958	910	348	320		2	2	3	1,308	1,235
North Dakota	296	321	7	3	2				305	324
Ohio	632	1,059	5,704	5,915	138	194	3	2	6,477	7,170
South Dakota	310	313	22	20		1			332	334
Wisconsin	1,443	1,468	1,137	1,177	12	9	63	37	2,655	2,691
Total	17,654	19,061	21,493	21,872	472	636	399	299	40,018	41,868
<u>Southern</u>										
Alabama			2,093	2,470			16	9	2,109	2,479
Arkansas	29	35	940	997		1	*	*	969	1,033
Delaware			145	166	5	15		*	150	181
Dist. of Columbia			458	420	53	104			511	524
Florida			1,030	1,149	1,579	1,840	101	70	2,710	3,059
Georgia			3,570	3,665	481	511	1	1	4,052	4,177
Kentucky	4	14	1,702	2,000	61	71	30	29	1,797	2,114
Louisiana			2,948	3,078	2	13	63	60	3,013	3,151
Maryland			2,877	2,839	394	398		*	3,271	3,237
Mississippi			1,989	1,949		12	11	1	2,000	1,962
North Carolina			2,541	2,763	841	676	*	*	3,382	3,439
Oklahoma	267	274	910	1,052		*	1	1	1,178	1,327
South Carolina			1,346	1,376	137	155	*	*	1,483	1,531
Tennessee			2,530	2,837	12	20	*	11	2,542	2,868
Texas	984	1,151	5,272	5,516	250	168	49	23	6,555	6,858
Virginia		1	1,784	1,857	679	722	*	*	2,463	2,580
West Virginia		1	845	926	59	78			904	1,005
Total	1,284	1,476	32,980	35,060	4,553	4,784	272	205	39,089	41,525
<u>Western</u>										
Arizona	184	183	254	273			1		439	456
California	7,157	8,021	6,183	5,218	149	129	2	3	13,491	13,371
Colorado	770	791	84	84			1	*	855	875
Idaho	279	283	41	44					320	327
Montana	290	300	16	17				*	306	317
Nevada	24	34	57	53					81	87
New Mexico	164	188	105	132					269	320
Oregon	910	896	615	548	65	85			1,590	1,529
Utah	552	521	65	63					617	584
Washington	1,423	1,437	648	618	96	118			2,167	2,173
Wyoming	100	97	6	7					106	104
Total	11,853	12,751	8,074	7,057	310	332	4	3	20,241	20,143
Grand Total	30,855	33,638	96,662	97,982	9,601	10,173	676	508	137,794	142,301

* Less than 500 hundredweights.

Table 16.--Sugar deliveries, by type of product or business of buyer and by type of sugar, third quarter 1958 ^{1/}

UNITED STATES						
Product or business of buyer	Beet (Total)	Cane (Total)	Imported D.C. (Total)	Total All sugar	Liquid sugar included in totals ^{2/}	
					Beet	Cane
100-pound bag equivalent						
<u>Industrial</u>						
Bakery, cereal and allied products	1,619,549	2,922,269	346,736	4,888,554	36,792	348,196
Confectionery and related products	771,407	2,275,672	795,970	3,843,049	12,203	643,662
Ice cream and dairy products	723,446	1,198,905	174,891	2,097,242	245,237	742,339
Beverages	1,048,642	4,130,142	476,845	5,655,629	143,863	2,052,277
Canned, bottled, frozen foods, jams, jellies and preserves	2,848,079	2,435,012	712,812	5,995,903	1,224,471	1,404,175
Multiple and all other food uses	282,850	1,270,026	30,473	1,583,349	21,181	427,680
Non-food products	<u>9,803</u>	<u>169,871</u>	<u>143,312</u>	<u>322,986</u>	<u>-</u>	<u>27,421</u>
<u>Sub-total</u>	7,303,776	14,401,897	2,681,039	24,386,712	1,683,747	5,645,750
<u>Non-industrial</u>						
Hotels, restaurants, institutions	20,707	206,796	10,167	237,670	1,535	14,500
Wholesale grocers, jobbers, sugar dealers	3,961,781	11,578,892	1,001,518	16,542,191	60,608	25,800
Retail grocers, chain stores, super markets	1,341,707	5,517,678	210,341	7,069,726	5,576	18,867
All other deliveries, in- cluding deliveries to Government agencies	<u>77,969</u>	<u>306,371</u>	<u>4,670</u>	<u>389,010</u>	<u>(874)</u>	<u>31</u>
<u>Sub-total</u>	5,402,164	17,609,737	1,226,696	24,238,597	66,845	59,198
TOTAL DELIVERIES	12,705,940	32,011,634	3,907,735	48,625,309	1,750,592	5,704,948
Deliveries in consumer- size packages (less than 50 lbs.)	2,992,082	14,727,924	241,623	17,961,629	-	-
Deliveries in bulk (unpackaged)	2,234,207	2,141,788	-	4,375,995	-	-

^{1/} Represents approximately 97.1 percent of deliveries by primary distributors in continental United States.^{2/} Refined equivalent.

Source: Reports of primary distributors of sugar to Sugar Division, CSS.

Table 17.-Sugar deliveries, by type of product or business of buyer, third quarter 1958 and percentage change from third quarter 1957

Product or business of buyer	United States	New England	Middle Atlantic	North Central	South	West
100-pound bag equivalent						
<u>Industrial</u>						
Bakery, cereal and allied products	4,888,554	156,461	1,207,873	2,025,369	891,572	607,279
Confectionery and related products	3,843,049	410,701	1,898,963	1,080,214	268,668	184,503
Ice cream and dairy products	2,097,242	96,348	515,412	688,653	472,175	324,654
Beverages	5,655,629	205,622	1,406,543	1,220,888	2,149,308	673,268
Canned, bottled, frozen foods; jams, jellies, preserves, etc.	5,995,903	140,137	892,731	1,067,670	793,221	3,102,144
Multiple and all other food uses	1,583,349	45,369	697,552	561,427	92,568	186,433
Non-food products	322,986	2,747	70,597	75,009	174,282	351
Sub-total	24,386,712	1,057,385	6,689,671	6,719,230	4,841,794	5,078,632
<u>Non-industrial</u>						
Hotels, restaurants, institutions	237,670	28,381	53,255	22,634	36,081	97,319
Wholesale grocers, jobbers, sugar dealers	16,542,191	695,920	2,134,198	5,583,525	5,858,521	2,270,027
Retail grocers, chain stores, super markets	7,069,726	408,315	1,531,527	2,049,670	2,259,346	820,868
All other deliveries, including deliveries to Government agencies	389,010	13,013	99,515	48,332	132,651	95,499
Sub-total	24,238,597	1,145,629	3,818,495	7,704,161	8,286,599	3,283,713
TOTAL DELIVERIES	48,625,309	2,203,014	10,508,166	14,423,391	13,128,393	8,362,345

Percentage change from 1957

<u>Industrial</u>						
Bakery, cereal and allied products	+6.9	-5.8	-4.5	+21.6	-0.9	+5.6
Confectionery and related products	+5.7	+14.0	+13.5	-1.0	-15.5	-4.9
Ice cream and dairy products	+9.8	-1.9	+1.5	+23.3	+13.8	-1.9
Beverages	+4.7	+8.8	-0.3	+14.8	-1.2	+19.4
Canned, bottled, frozen foods; jams, jellies, preserves, etc.	-0.8	+1.4	-3.8	-2.0	+15.7	-3.1
Multiple and all other food uses	-0.9	-1.0	+4.1	-9.2	-6.8	+13.7
Non-food products	+10.8	-43.9	-0.2	+101.5	-1.9	-59.4
Sub-total	+4.0	+5.5	+2.5	+9.7	+1.5	+0.9
<u>Non-industrial</u>						
Hotels, restaurants, institutions	+12.2	-1.4	+12.5	+29.3	+0.5	+18.2
Wholesale grocers, jobbers, sugar dealers	+9.4	+6.4	+8.9	+14.0	+11.0	-2.4
Retail grocers, chain stores, super markets	+15.1	+4.1	+6.7	+21.9	+19.6	+10.1
All other deliveries, including deliveries to Government agencies	+9.7	+139.1	+25.7	+9.3	+96.4	-39.6
Sub-total	+11.1	+6.0	+8.4	+16.0	+14.0	-0.8
TOTAL	+7.4	+5.8	+4.6	+13.0	+9.0	+0.2

Table 18.-Deliveries of cane and beet sugar by primary distributors in consumer size packages (less than 50 lbs.) third quarter 1958

	Cane sugar	Beet sugar	Total
	(hundredweight refined)		
United States	14,969,547	2,992,082	17,961,629
New England	812,583		812,583
Middle Atlantic	2,870,581		2,870,581
North Central and West combined*	4,850,801	2,945,858	7,796,659
South	6,435,582	46,224	6,481,806

* Combined to avoid disclosure of individual company data. Total reported distribution in consumer size packages in these areas: North Central, 5,348,985; West, 2,447,674.

Source: Reports of primary distributors of sugar to the Sugar Division, CSS.

Table 19.--Dextrose sales, by type of product or business of buyer, third quarter 1958 and percentage change from third quarter 1957

Product or business of buyer	United States	New England	Middle Atlantic	North Central	South	West
100-pound bag equivalent						
<u>Industrial</u>						
Bakery, cereal and allied products	1,060,382	48,303	185,805	427,636	261,987	136,651
Confectionery and related products	117,414	5,435	66,566	31,846	8,358	5,209
Ice cream and dairy products	48,419	1,931	7,317	19,456	13,745	5,970
Beverages	116,655	4,914	25,190	44,982	15,222	26,347
Canned, bottled, frozen foods, jams, jellies preserves, etc.	236,293	1,376	25,882	53,283	25,383	130,369
Multiple and all other food uses	162,432	5,592	78,628	42,313	21,433	14,466
Non-food products	237,921	18,817	76,915	66,292	73,470	2,427
Sub-total	1,979,516	86,368	466,303	685,808	419,598	321,439
<u>Non-industrial</u>						
Wholesale grocers, jobbers, sugar dealers, retail grocers, chain stores, super markets	22,945	1,070	2,532	7,954	4,999	6,390
All other deliveries, including deliveries to Government agencies	62,183	1,464	15,862	31,014	5,787	8,056
Sub-total	85,128	2,534	18,394	38,968	10,786	14,446
TOTAL SALES	2,064,644	88,902	484,697	724,776	430,384	335,885
Percentage change from third quarter 1957						
<u>Industrial</u>						
Bakery, cereal and allied products	+21.9	+66.6	+21.8	+18.1	+18.2	+30.9
Confectionery and related products	+11.3	+22.6	+ 6.2	+11.8	+54.7	+16.5
Ice cream and dairy products	-20.6	-20.6	-35.1	- 8.5	-29.0	-10.5
Beverages	-10.0	- 1.8	- 8.7	-20.4	-13.3	+14.7
Canned, bottled, frozen foods; jams, jellies preserves, etc.	+25.0	+16.7	+11.7	+23.0	+63.1	+23.3
Multiple and all other food uses	+40.9	+30.8	+164.8	-17.3	- 1.1	+71.4
Non-food products	+24.2	-22.5	+43.6	+41.1	+12.7	+59.4
Sub-total	+19.1	+22.4	+29.4	+12.5	+14.5	+26.4
<u>Non-industrial</u>						
Wholesale grocer, jobbers, sugar dealers, retail grocers, chain stores, super markets	-35.0	-35.3	-24.7	-48.0	-28.6	-19.8
All other deliveries, including deliveries to Government agencies	+41.7	+30.1	+124.5	+15.6	+14.4	+111.8
Sub-total	+ 7.5	- 8.8	+76.4	- 7.5	-10.6	+22.7
Total	+18.6	+21.2	+30.7	+11.2	+13.7	+26.2

Table 20.-Deliveries of packaged, bulk and liquid sugar (beet and cane) by primary distributors during January-September 1958 and 1957 with comparisons

(1,000 cwt. refined)

Region						Type of sugar		
Jan.- Sept.	New England	Middle Atlantic	South	North Central	West	U.S. total	Beet	Cane
(1) Total direct deliveries								
1958	6,199	28,456	34,770	36,179	18,237	123,841	29,904	93,937
1957	6,057	28,304	33,150	34,485	18,571	120,567	27,927	92,640
Change	+142	+152	+1,620	+1,694	-334	+3,274	+1,977	+1,297
(2) Consumer size packages (less than 50 lbs. granulated)								
1958	2,248	7,297	15,768	12,684	5,943	43,940	6,796	37,144
1957	2,179	7,162	14,013	11,875	5,959	41,188	6,085	35,103
Change	+69	+135	+1,755	+809	-16	+2,752	+711	+2,041
(3) Other deliveries (industrial & institutional)								
1958	3,951	21,159	19,002	23,495	12,294	79,901	23,108	56,793
1957	3,878	21,142	19,137	22,610	12,612	79,379	21,842	57,537
Change	+73	+17	-135	+885	-318	+522	+1,266	-744
(a) Bulk sugar (granulated)								
1958	440	3,577	668	3,520	3,528	11,733	5,892	5,841
1957	411	2,935	479	2,406	2,921	9,152	4,011	5,141
Change	+29	+642	+189	+1,114	+607	+2,581	+1,881	+700
(b) Liquid sugar								
1958	1,267	6,505	2,127	2,735	4,126	16,760	2,903	13,857
1957	1,177	6,655	1,765	2,262	3,986	15,845	2,387	13,458
Change	+90	-150	+362	+473	+140	+915	+516	+399
(c) Industrial & institutional packages (granulated) 50 lbs. and over								
1958	2,244	11,077	16,207	17,240	4,640	51,408	14,313	37,095
1957	2,290	11,552	16,893	17,942	5,705	54,382	15,444	38,938
Change	-46	-475	-686	-702	-1,065	-2,974	-1,131	-1,843

Table 21.-Sugar: Prices, production, and stocks

Period	Prices (Gross) ^{1/}					
	Raw cane			Refined cane, quoted wholesale		
	N.Y. duty paid	World fas, Cuba	New York	Gulf	Chicago-West	Pacific Coast
	Cents per pound					
1953-57 monthly av.	6.13	3.71	8.79	8.64	8.61	8.72
1956 monthly av.	6.09	3.48	8.77	8.60	8.58	8.75
1957 monthly av.	6.24	5.16	9.15	8.95	8.82	9.12
1957						
December 1958	6.15	3.87	9.15	8.95	8.70	9.10
January	6.15	3.74	9.15	8.95	8.70	9.10
February	6.15	3.55	9.15	8.95	8.70	9.10
March	6.03	3.42	9.15	8.95	8.78	9.10
April	6.21	3.45	9.15	8.95	8.85	9.10
May	6.29	3.47	9.24	9.13	9.03	9.28
June	6.27	3.42	9.35	9.15	9.05	9.30
July	6.28	3.50	9.35	9.15	9.05	9.30
August	6.28	3.46	9.35	9.15	9.05	9.30
September	6.37	3.48	9.35	9.15	8.85	9.30
October	6.47	3.41	9.35	9.15	8.85	9.30
November	6.35	3.42	9.35	9.15	8.85	9.30
12-month av.	6.25	3.52	9.26	9.06	8.87	9.22

Period	Prices (Gross) (continued)			
	Refined beet, quoted wholesale			Refined retail
	Eastern	Chicago-West	Pacific Coast	U.S. average
	Cents per pound			
1953-57 monthly av.	8.52	8.41	8.62	10.62
1956 monthly av.	8.52	8.38	8.65	10.57
1957 monthly av.	8.63	8.62	9.02	11.03
1957				
December 1958	8.50	8.50	9.00	11.12
January	8.50	8.50	9.00	11.12
February	8.50	8.50	9.00	11.12
March	8.50	8.58	9.00	11.10
April	8.65	8.65	9.00	11.14
May	8.65	8.83	9.18	11.16
June	8.65	8.85	9.20	11.30
July	8.65	8.85	9.20	11.34
August	8.65	8.85	9.20	11.38
September	8.65	8.65	9.20	11.38
October	8.65	8.65	9.20	11.38
November	8.65	8.65	9.20	
12-month av.	8.60	8.67	9.12	11.23 ^{2/}

	Production and month-end stocks refined			
	Production		Month-end stocks	
	Cane sugar refiners	Beet processors	Cane sugar refiners	Beet processors
	1,000 short tons, raw value			
1953-57 monthly av.	504	159	272 ^{3/}	801
1956 monthly av.	528	163	281 ^{3/}	816
1957 monthly av.	504	169	296 ^{3/}	800
1957				
December 1958	441	479	265 ^{3/}	1,234
January	476	205	278	1,351
February	429	31	257	1,244
March	457	5	268	1,065
April	516	31	276	960
May	508	73	277	856
June	539	54	270	704
July	597	31	278	508
August	587	16	272	282
September	567	104	245	174
October	556	605	247	583
November 4/	440	603	260	1,038
12-month av.	509	186	266	833

^{1/} Quoted wholesale refined prices represent the current quotations of cane refiners and beet processors even though orders sometimes are taken on a day to day basis at a lower price and allowances in specific areas are being made. (See Sugar Reports No. 55, page 4). ^{2/} 11-month average. ^{3/} Over-quota stocks at the end of the year included. ^{4/} Preliminary.

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